



# Iowa Department of Human Services

Terry E. Branstad  
Governor

Kim Reynolds  
Lt. Governor

Charles M. Palmer  
Director

## INFORMATIONAL LETTER NO. 1031

**DATE:** July 29, 2011

**TO:** Iowa Medicaid Providers Billing on CMS 1500 Claim Forms (Excluding Ambulatory Surgery Centers and Indian Health Service Providers)

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**RE:** Medicaid Site of Service Differential

**EFFECTIVE:** September 1, 2011

Effective September 1, 2011, the IME will be applying site of service differentials to certain professional services billed with a facility place of service. ***The site of service differential will only apply to those codes that Medicare has determined to be eligible for site of service payment differentials.*** The differential payments are based on the same percent decrease (or in some cases increase) for site of service differentials that Medicare applies on these codes. Iowa Medicaid has established a new pricing factor code for these differentials. The procedure list, including factor information, is posted on the IME website at:

[http://www.ime.state.ia.us/Reports\\_Publications/FeeSchedule.html](http://www.ime.state.ia.us/Reports_Publications/FeeSchedule.html).

These changes are effective for the following Places of Service (Form CMS 1500, Box 24b):

21 -Inpatient Hospital  
22 -Outpatient Hospital  
23 -Emergency Room Hospital  
24 -Ambulatory Surgical  
31 -Skilled Nursing Facility  
51 -Inpatient Psych Facility  
53 -Day Care Facility (PSY)  
61 -Comprehensive Inpatient Rehab

This will apply to claims with first date of service September 1, 2011, and forward. All other current rules for pricing still apply such as claims billed with modifiers that reduce payment.

The IME appreciates your continued partnership as we work to improve the claim processing service quality and accuracy. If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609 or email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).